

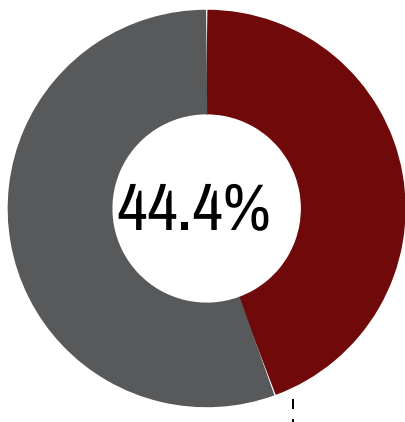
Secondary Capital At U.S. Credit Unions

Secondary capital supports lending and financial services as well as buffers against the impact of potential losses. But how much do credit unions use it?

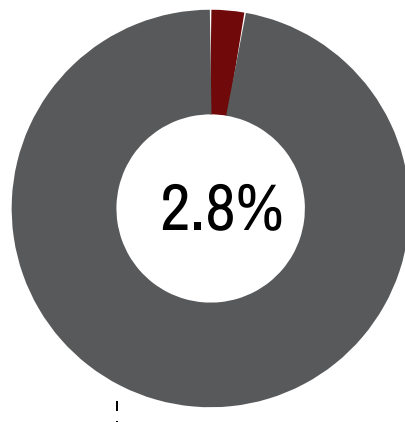
WHO USES SECONDARY CAPITAL?

Federally insured credit unions with low income status may tap into secondary capital.

2,527 credit unions have low income status. That's 44.4% of the industry.



70 credit unions receive secondary capital. That's 2.8% of low income designated credit unions.



Secondary capital totaled
\$223,352,223
as of Dec. 31, 2017

THE NUMBERS

Secondary capital can help credit unions raise their net worth and return on assets.

92.9%

92.9% of credit unions that accept secondary capital are well-capitalized, with a net worth ratio higher than 7%.

0.79%

Credit unions that accept secondary capital have an average ROA of 0.79%.

9.49%

Credit unions that receive secondary capital have an average net worth ratio of 9.49%

18.3%

Secondary capital grew 18.3% from third quarter 2017 to fourth quarter 2017.

HOW TO MAKE THE MOST OF SECONDARY CAPITAL

Make the most of secondary capital by creating a long-term plan to address next steps once secondary capital is repaid.



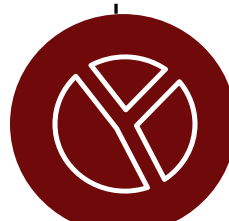
MAKE A PLAN

The NCUA requires a written plan that details how the credit union will use and repay supplemental funds.



EXPAND PRODUCTS AND SERVICES

Secondary capital can help credit unions facilitate growth and maintain profitability; for example, by increasing lending.



DIVERSIFY CAPITAL RESOURCES

Diversified capital resources help uncover new avenues to build credit.

Read how a northwestern credit union restored its net worth and built member value. [Click here.](#)

TRENDS IN SECONDARY CAPITAL

Secondary capital increased \$34.6 million from the third to the fourth quarter in 2017. Three new participants contributed \$25.6 million, or 11.5% of total secondary capital for the industry.

